



County of Los Angeles
CHIEF ADMINISTRATIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION • LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://cao.co.la.ca.us>

DAVID E. JANSSEN
Chief Administrative Officer

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January 13, 2005

To: Supervisor Gloria Molina, Chair
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

MOTION TO OPPOSE ACA 7 – AN AMENDMENT TO THE STATE CONSTITUTION TO LOWER THE VOTER APPROVAL REQUIREMENT FOR SPECIAL TAXES LEVIED BY LOCAL GOVERNMENTS (ITEM NO. 8, AGENDA OF JANUARY 18, 2005)

Item number 8, on the January 18, 2005 agenda, is a motion by Supervisor Knabe to oppose ACA 7 Nation (D – Marin County), a constitutional amendment to lower the voter approval requirement for special taxes levied by local governments.

ACA 7, if approved by the voters, would reduce the voter approval requirement for special taxes from the current 2/3 to 55 percent for a special tax levied by a city, county or a special district, except for an ad valorem property tax or a transactions tax or sales tax on the sale of real property. A similar reduction was provided to school districts for school bond measures by Proposition 39 which was approved by the voters in 2000. ACA 7 leaves unchanged the 50 percent requirement for general purpose taxes.

Since the imposition of various voter approval requirements, there has been some research into their effect on voter approval. Some of the key findings from a January 2003 study by the Public Policy Institute of California – “Fiscal Effects of Voter Approval Requirements on Local Governments” – include:

- Between 1986 and 2000, California voters were asked to vote on over 1,600 measures to raise taxes or fees, with 42 percent of the measures receiving approval;

- Passage rates varied according to the type of service to be funded with transportation and emergency services most likely to be approved, and park and recreation least likely;
- Since the passage of Proposition 39 in 2000, lowering the voter approval requirement for school bonds, voters approved 29 out of 32 measures in 2001, 67 out of 76 measures in March 2002, and 84 out of 103 measures in November 2002; and
- County measures were the least likely to pass with a success rate of 32 percent, compared to 40 percent for cities, and 47 percent for special districts.

In addition, based on data from the California Local Government Finance Almanac regarding ballot measures in 2004, it is possible to simulate what would have happened if the lower voter threshold of ACA 7 had been in effect.

- Of the 50 local measures on the March 2004 ballot, 24 were approved and 14 more would have been approved if a 55 percent requirement had been in effect.
- Of the 270 local measures on the November 2004 ballot, 73 passed and 23 more would have passed with a 55 percent requirement, including Measure A in Los Angeles County to provide additional funds for public safety, a measure the Board supported.

The State Legislative Agenda approved by the Board on January 11, 2005 contains policy in support of "legislation to reduce the vote requirement for enacting a county-wide sales or gas tax transportation measure." Support for ACA7 would be consistent with that policy, as well as the Board's general policy in support of local control and local determination of local budget and fiscal decisions. **Therefore, I recommend that the Board go on record in support of ACA7.**

DEJ:GK
MAL:JR:ib

c: Executive Officer, Board of Supervisors
County Counsel